

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 11/4/2014	(3) CONTACT/PHONE Teresa Andrews-Hurliman 781-5038	
(4) SUBJECT Request to approve a FY 2014-15 contract with Fulbright & Jaworski, LLP, a member of Norton Rose Fulbright, to provide Bond Counsel services; and authorize a budget adjustment in the amount of \$16,300 for Fund Center 277-Debt Service. All Districts.			
(5) RECOMMENDED ACTION It is recommended that your Board  1) Approve a contract to provide Bond Counsel services with Fulbright & Jaworski, LLP., a member of Norton Rose Fulbright; and 2) Authorize a budget adjustment request in the amount of \$16,300 for Fiscal Year 2014/15 in Fund Center 277-COP Loan Debt Service by 4/5 vote.			
(6) FUNDING SOURCE(S) Debt Service Fund Designations	(7) CURRENT YEAR FINANCIAL IMPACT \$16,300.00	(8) ANNUAL FINANCIAL IMPACT Unknown	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)  19001465		(13) BUDGET ADJUSTMENT REQUIRED? YES BAR ID Number: 1415042 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: James P. Erb, Auditor - Controller - Treasurer - Tax Collector

DATE: 11/4/2014

SUBJECT: Request to approve a FY 2014-15 contract with Fulbright & Jaworski, LLP, a member of Norton Rose Fulbright, to provide Bond Counsel services; and authorize a budget adjustment in the amount of \$16,300 for Fund Center 277-Debt Service. All Districts.

## **RECOMMENDATION**

It is recommended that your Board

- 1) Approve a contract to provide Bond Counsel services with Fulbright & Jaworski, LLP., a member of Norton Rose Fulbright; and
- 2) Authorize a budget adjustment request in the amount of \$16,300 for Fiscal Year 2014/15 in Fund Center 277-COP Loan Debt Service by 4/5 vote.

## **DISCUSSION**

In response to the recent economic recession, the Securities and Exchange Commission (SEC) has imposed new and more stringent legal and reporting requirements and standards for municipal issuers of bonds and other debt. Therefore, the County has a need for specialized legal services in the area of public finance.

Fulbright & Jaworski, LLP (Fulbright) has functioned as Bond Counsel for specific bond issuances in the past including the most recent issues:

2012 Series A Lease Revenue Refunding Bonds;  
2011 Series A Lopez Dam Improvement Refunding Revenue Bonds, and;  
2009 Series A Taxable Pension Obligation Refunding Bonds.

Because of this history with the County, Fulbright has acquired extensive knowledge of the operations, principles, and goals associated with the County's debt policies. Based on this experience, the Auditor's Office believes that the company would be the best choice for providing the services required and is recommending it as a sole source provider of these services.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

County Counsel has reviewed and approved the contract as to form and legal effect. The County's Debt Advisory committee approved this request to your Board at their meeting on September 18, 2014.

## **FINANCIAL CONSIDERATIONS**

This budget adjustment request relates to fees for general consulting services regarding recent SEC changes to reporting requirements and stricter oversight of municipal issuers. These fees are based on services rendered at hourly rates. Please see Exhibit A attached to the contract for proposed hourly rates. Since it is not known at this time the extent to

which we will require these services it is not possible to estimate a total for the contract. The source for the requested budget adjustment is a designation in the debt service fund. Appropriations for subsequent years will be based on current year experience and anticipated needs for each subsequent year and will be included in the annual budget for those years.

Fees for specific bond issuances vary by type of financing, i.e., type of bond, or new issues vs. refunding issues. Fees for bond issue services are estimated and proposed at the beginning of the process and are paid contingent on the closing of the financing from the proceeds of the sale of the bonds. This budget adjustment request is not for those services.

## **RESULTS**

This contract will ensure that the County conforms with new SEC requirements and standards and enable the County to maintain its superior bond ratings.

## **ATTACHMENTS**

1. Contract for Special Services by Independent Contractor, Fulbright & Jaworski, LLP a member of Norton Rose Fulbright.
2. Exhibit A-1, Fulbright and Jaworski, LLP Contract